

# Notice of Fifty-Fourth Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Fifty-Fourth (54<sup>th</sup>) Annual General Meeting (AGM) of the Company will be held at Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur on Friday, 29 May 2020 at 10.00 a.m. to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS:

- |  |                                      |
|--|--------------------------------------|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2019 and the Directors' and Auditors' Reports thereon.  | (Please refer to Explanatory Note 1) |
| 2. To approve a single-tier final dividend of 18.5 sen per share in respect of the financial year ended 31 December 2019.  | Ordinary Resolution 1                |
| 3. To re-elect the following Directors who retire by rotation pursuant to Clause 94 of the Company's Constitution and who being eligible offer themselves for re-election:   |                                      |
| (1) Tan Sri Dr Rebecca Fatima Sta Maria  | Ordinary Resolution 2                |
| (2) Dato' Khairussaleh Bin Ramli   | Ordinary Resolution 3                |
| Encik Abdul Aziz Bin Peru Mohamed who also retires by rotation pursuant to Clause 94 of the Company's Constitution and the Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group (Internal Guidelines), has expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of the 54 <sup>th</sup> AGM of the Company. |                                      |
| 4. To re-elect the following Directors who retire pursuant to Clause 98 of the Company's Constitution and who being eligible offer themselves for re-election:   |                                      |
| (1) Datuk Seri Dr Govindan A/L Kunchambo   | Ordinary Resolution 4                |
| (2) Dato' Mohamad Nasir Bin Ab Latif   | Ordinary Resolution 5                |
| 5. To approve the payment of Directors' fees and Board Committees' allowances amounting to RM1,690,547.97 to the Non-Executive Directors for the financial year ended 31 December 2019.  | Ordinary Resolution 6                |
| 6. To approve the payment of Directors' fees and Board Committees' allowances to the Non-Executive Directors from 1 January 2020 until the 55 <sup>th</sup> AGM of the Company.  | Ordinary Resolution 7                |
| 7. To approve the payment of Directors' remuneration (excluding Directors' fees and Board Committees' allowances) amounting up to RM1.79 million to the Non-Executive Directors from 30 May 2020 until the 55 <sup>th</sup> AGM of the Company.  | Ordinary Resolution 8                |
| 8. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 55 <sup>th</sup> AGM of the Company, at a remuneration to be determined by the Directors.   | Ordinary Resolution 9                |

### AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions:

- |   |                        |
|---|------------------------|
| 9. Authority for Directors to issue shares  | Ordinary Resolution 10 |
| <p>"<b>THAT</b> subject always to the Companies Act 2016, the Company's Constitution and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."</p> |                        |
| 10. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.   |                        |

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## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN THAT** subject to the shareholders' approval for the payment of a single-tier final dividend of 18.5 sen per share in respect of the financial year ended 31 December 2019 (Final Dividend) under Ordinary Resolution 1 at the 54<sup>th</sup> AGM of the Company to be held on Friday, 29 May 2020, the Final Dividend will be paid on 26 June 2020 to Depositors whose names appear in the Record of Depositors of the Company as at 11 June 2020.

A Depositor shall qualify for entitlement to the Final Dividend only in respect of:

- (a) Securities transferred into the Depositor's securities account before 4.30 p.m. on 11 June 2020 in respect of transfers;
- (b) Securities deposited into the Depositor's securities account before 12.30 p.m. on 9 June 2020 in respect of securities exempted from mandatory deposits; and
- (c) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

**Azman Shah Md Yaman (LS 0006901)**  
**Lai Su Ming (MAICSA No. 7046164)**  
Company Secretaries

Kuala Lumpur  
30 April 2020

## NOTES:

### Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2020 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 54<sup>th</sup> AGM.
2. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint one (1) or more proxies to attend and vote in his/her place. A proxy may but need not be a member of the Company.
3. The Form of Proxy must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
5. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or lodged electronically via "Boardroom Smart Investor Portal" at [www.boardroomlimited.my](http://www.boardroomlimited.my) not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

## Explanatory Notes

### 1. Item 1 of the Agenda – Audited Financial Statements for Financial Year Ended 31 December 2019

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

### 2. Ordinary Resolutions 2, 3, 4 and 5 – Re-election of Retiring Directors

2.1 Clause 94 of the Company's Constitution provides that one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire by rotation at an AGM of the Company and be eligible for re-election. With the current Board size of eleven (11), three (3) Directors are to retire in accordance with Clause 94 of the Company's Constitution.

(a) For the purpose of determining the eligibility of the Directors to stand for re-election at the 54<sup>th</sup> AGM, the Board Nominating and Remuneration Committee (BNRC) has assessed each of the retiring Directors, and considered the following:

- (i) The Directors' attributes, competencies, contributions in respect of decision making, roles played and contributions to the Board and Board Committees and adequacy of training, as well as the Board Effectiveness Evaluation (BEE);
- (ii) The retiring Directors are subjected to the internal review for re-appointment once every two (2) years pursuant to the Internal Guidelines; and
- (iii) The level of independence assessment is benchmarked against best practices and regulatory provisions.

(b) In line with Appendix 4 (Corporate Governance Disclosures) of the Policy Document on Corporate Governance issued on 3 August 2016 by Bank Negara Malaysia (BNM), the Board has conducted its annual assessment of the Directors of the Company based on the relevant performance criteria which include the following:

- Part A: Evaluation of the Board(s)

Part A evaluated the overall behaviours and culture of the Board based on six (6) identified dimensions, namely decision making, communication, board dynamics, mind-set, leadership and conduct & culture of the Board as a collective unit and also specifically on the attributes of individual Board Committee's conduct & performance.

Each question was accompanied by a comment box for explanation on the chosen rating. The respondent was encouraged to provide example(s) which can illustrate the relevant practice(s), situation(s) or actual incident(s) encountered in justifying the rating.

- Part B: Board of Directors' Self & Peer-Assessment

Part B evaluated individual Board member's contribution to the Board and aspects on personal qualities and attributes. The questionnaires were crafted to assess the Directors on specific traits such as Agility, Energy, Social Leadership, Contribution & Interaction, Quality of Input, Understanding of Role and Independence.

Based on the results of the BEE, the individual Directors met the performance criteria required of an effective and a high performance Board. In addition, the Board will also engage an independent external party on a periodic basis in line with the recommendations of the Malaysian Code on Corporate Governance.

- (c) Based on the above, the Board approved the BNRC's recommendation that Tan Sri Dr Rebecca Fatima Sta Maria and Dato' Khairussaleh Bin Ramli who retire in accordance with Clause 94 of the Company's Constitution are eligible to stand for re-election. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meetings.

Section 54(2)(a) of the Financial Services Act 2013 (FSA) provides that the appointment, election, re-appointment and re-election as a Chairman, Director or Chief Executive Officer of the Company is subject to the prior written approval of BNM. In this respect, the approval of BNM on the proposed re-election of Tan Sri Dr Rebecca Fatima Sta Maria and Dato' Khairussaleh Bin Ramli as Directors under Ordinary Resolutions 2 and 3 has been obtained.

Encik Abdul Aziz Bin Peru Mohamed who also retires by rotation pursuant to Clause 94 of the Company's Constitution and the Internal Guidelines, has expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of the 54<sup>th</sup> AGM of the Company.

2.2 Clause 98 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the retirement of Directors by rotation at such meeting.

(a) Datuk Seri Dr Govindan A/L Kunchamboos was appointed as an Independent Non-Executive Director of the Company on 1 January 2020. BNM had on 18 December 2019 provided its approval on his appointment as Director (under Ordinary Resolution 4) pursuant to Section 54(2)(a) of the FSA.

(b) Dato' Mohamad Nasir Bin Ab Latif was appointed as a Non-Independent Non-Executive Director of the Company on 16 March 2020. BNM had on 10 March 2020 provided its approval on his appointment as Director (under Ordinary Resolution 5) pursuant to Section 54(2)(a) of the FSA.

2.3 Tan Sri Saw Choo Boon, a Non-Independent Non-Executive Director of the Company who is due for retirement pursuant to the Internal Guidelines has expressed his intention to retire as a Director at the 54<sup>th</sup> AGM of the Company. Hence, he will remain in office until the conclusion of the 54<sup>th</sup> AGM of the Company.

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## 3. Ordinary Resolutions 6 and 7 – Payment of Directors' Fees and Board Committees' Allowances to the Non-Executive Directors

The Non-Executive Chairman and Non-Executive Directors are entitled to annual Directors' fees and annual Board Committees' allowances. The current Directors' fees and Board Committees' allowances are as set out below:

No.	Description	Non-Executive Chairman (RM)	Non-Executive Directors / Members (RM)
1	Annual Directors' Fees	200,000.00	175,000.00
<b>Annual Board Committees' Allowances</b>			
2	Board Audit Committee	40,000.00	30,000.00
3	Board Nominating & Remuneration Committee	40,000.00	30,000.00
4	Board Risk Committee	40,000.00	30,000.00
5	Board Credit Committee	50,000.00	40,000.00

## 4. Ordinary Resolution 8 – Payment of Directors' Remuneration (excluding Directors' Fees and Board Committees' Allowances) to the Non-Executive Directors

The proposed Directors' Remuneration (excluding Directors' fees and Board Committees' allowances) comprises the allowances and other emoluments payable to the Non-Executive Directors. The current remuneration policy is as set out below:

No.	Description	Non-Executive Chairman (RM)	Non-Executive Directors (RM)
1	Monthly Fixed Allowance <sup>(a)</sup>	25,000.00	Not Applicable
2	Meeting Allowance (per meeting):		
	(a) Board of the Company	1,500.00	1,500.00
	(b) Board Committees <sup>(b)</sup>	1,500.00	1,500.00
3	Farewell Pot Scheme <sup>(c)</sup> (per annum) (Established with effect from 1 January 2017)	2,000.00	2,000.00
4	Other Benefits: Club membership, Directors & Officers liability insurance coverage, driver, car and petrol allowance, etc.		

Notes:

- (a) The monthly fixed allowance is given to the Chairman of the Company as a Special Allowance, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him.
- (b) The abovementioned Board Committees are Centralised Committees which are shared by the Company and its relevant subsidiaries of RHB Banking Group (the Group).
- (c) Pursuant to "Farewell Pot Scheme", an amount of RM2,000.00 is to be potted annually for every Non-Executive Director for the whole duration of the calendar year that he/she serves within the Group. A farewell gift will be granted to a Non-Executive Director upon his/her exit from the Group, either upon retirement or resignation. The value of the said gift is determined based on his/her entitlement of monetary value accumulated in the pot.

The Group Managing Director/Chief Executive Officer does not receive any Director's remuneration.

In determining the estimated total amount of remuneration (excluding Directors' fees and Board Committees' allowances) for the Non-Executive Directors including the Non-Executive Chairman of the Board of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

Payment of the Non-Executive Directors' remuneration will be made by the Company on a monthly basis and/or as and when deemed appropriate, if the proposed Ordinary Resolutions 7 and 8 have been passed at the 54<sup>th</sup> AGM of the Company. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' remuneration on a monthly basis and/or as and when deemed appropriate, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

#### **5. Ordinary Resolution 9 – Appointment of Auditors**

The Board Audit Committee (BAC), at its meeting held on 23 January 2020, conducted its annual assessment on the external auditors of the Company, Messrs PricewaterhouseCoopers PLT (PricewaterhouseCoopers) in accordance with BNM's Guidelines on External Auditors. The assessment covered a wide spectrum of matters such as performance, suitability, independence and objectivity of the external auditors, based on qualifying criteria for the appointment/re-appointment of auditors and terms of audit engagements.

Having satisfied itself with their performance and fulfilment of criteria as set out in BNM's Guidelines on External Auditors, the BAC recommended the re-appointment of PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2020. The Board, at its meeting held on 29 January 2020, approved the recommendation for shareholders' approval to be sought at the 54<sup>th</sup> AGM of the Company on the re-appointment of PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2020, under Ordinary Resolution 9.

#### **6. Ordinary Resolution 10 – Authority for Directors to Issue Shares**

The proposed Ordinary Resolution 10 is to renew the general mandate to the Directors of the Company to issue ordinary shares of the Company from time to time pursuant to Sections 75 and 76 of the Companies Act 2016. The resolution, if passed, will give powers to the Directors of the Company to issue ordinary shares in the capital of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being (General Mandate), without having to convene a general meeting. The General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issue of new shares and to avoid delay and cost in convening general meetings to approve such issue of shares. In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

#### **Statement Accompanying Notice of the 54<sup>th</sup> AGM of the Company**

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A to the Notice of the 54<sup>th</sup> AGM of the Company.

## ANNEXURE A

# Statement Accompanying Notice of the 54<sup>th</sup> AGM of the Company

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- (i) Further details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 54<sup>th</sup> AGM of the Company.

- (ii) A statement relating to general mandate for issue of security in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 10 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 24 April 2019.